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ABSTRACT

Questions have been raised concerning the function served by each of the federal need-based student aid programs and the relationship between them: Basic Educational Opportunity Grant (BEOG), Supplemental Educational Opportunity Grant (SEOG), College Work-Study (CWS), and National Direct Student Loan (NDSL). Analysis of the student aid packages was conducted using the CIRP data for 1974, 1975, and 1976. One change noted over the years is an increased use of campus-based monies for middle-income students. The most distinctive characteristic of the data on student aid "packages" is that the major proportion of aided students do not receive a "package"; 64 percent of the aided freshmen received only one form of the programs under consideration. This proportion is even higher (68 percent) when the scope is limited to freshmen in public institutions. The program dominating the student aid data is the BEOG program, and there are significant differences in award patterns between public and private institutions. The distribution of the four student aid programs are generally consistent with the legislative authorities under which they are funded, but the question arises regarding how the large proportion of students who receive only a BEOG are financing their education, particularly those students enrolled in high-priced institutions. (LBH)

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FEDERAL STUDENT AID: WHO RECEIVES IT AND HOW IS IT PACKAGED?

Questions have been raised concerning the function served by each of the Federal need-based student aid programs and the relationship between the programs: Basic Educational Opportunity Grant (BEOG), Supplemental Educational Opportunity Grant (SEOG) College Work-Study (CWS), and National Direct Student Loan (NDSL).[1] The types of aid received by students can be examined using the ACE/CIRP survey of first-time, full-time students. Since the survey questionnaire reports on individual students, it is possible to analyze packages of aid for students from different income levels.

Analysis of the student aid packages was conducted using the CIRP data for 1974, 1975, and 1976. One change noted over these years is an increased use of campus-based monies for middle-income students.[2] This trend is substantiated by the U.S. Office of Education's (OE) program data.

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[1] This analysis does not include students receiving a federally guaranteed student loan.

[2] Student income as used in this paper includes gross family income for dependent students and gross student income for independent students. It should be noted that the CIRP sample underestimates low-cost institutions; therefore, the median incomes of federally-aided students from CIRP institutions may be higher than those in the student population at large.

The most distinctive characteristic of the data on student aid "packages" is that the major proportion of aided students do not receive a "package"; 64% of the aided freshmen received only one form of the programs under consideration. This proportion is even higher (68%) when one limits the scope to freshmen in public institutions (see Table 1).

The program which dominates the student aid data is the BEOG program. Again, the aided freshmen most frequently receive only a BEOG, and approximately three-quarters of these OE-aided freshmen in 1976-77 received a BEOG-based award, that is, they received only a BEOG, or a BEOG plus one or more of the other three Federal need-based programs. The other 25% of the students received awards from one or more of the campus-based programs, but did not receive a BEOG. The median-income for BEOG-based awards in 1976-77 was $9,656 (see Table 2). In contrast, students receiving awards from only campus-based programs had median incomes of $15,658. The median income was slightly higher ($16,252) if the award(s) received was only CWS and NDSL. That is, these middle-income students received only self-help OE aid (work and loans), whereas scarce grant dollars were targeted on lower-income students.

In contrast to student aid packages consisting of self-help awards, those packages which were SEOG-based went to students with a median income of $13,258, which is slightly above the median for BEOG students, but below those who only receive self-help awards. The SEOG, unlike the BEOG with its standardized national-need criteria, can take into account the individual needs and problems of students, and can provide assistance to students from middle-income families who fail to qualify for a BEOG.

There are significant differences in award patterns between public and private institutions. As stated above, among 1976-77 OE-aided freshmen in all institutions, one-quarter received awards from only campus-based programs. Among aided freshmen in private institutions, that proportion rises to one-third. In fact, slightly over 20% of the OE-aided freshmen in private institutions received only CWS or NDSL. This fact probably results from the flexibility of the campus-based programs in assessing overall need coupled with the generally higher student charges at private institutions. In contrast, over 40% of the OE-aided freshmen in public and private institutions combined received only a BEOG, but for freshmen in public institutions alone, that proportion rises to over 50%. Many of these freshmen in public institutions who receive only a BEOG are likely to be in two-year institutions which typically have lower student charges than four-year institutions.

Thus, the OE need-based student aid programs serve a wide clientele, from low through middle income students. The BEOG program is the largest program affecting the largest number of students, and for many, campus-based programs are supplemental aid. For another large group, the campus-based programs, either singly or in combination with each other, assist those students who do not qualify for a BEOG, with the large proportion of that assistance being of a self-help nature.

Policy Implications

The distribution of the four student aid programs are generally consistent with the legislative authorities under which they are funded. The question arises, however, regarding how the large porportion of students who receive only a BEOG are financing their education, particularly those students enrolled in high-priced insitutions.

Low-income students eligible for a BEOG need additional aid if they are to have the option of attending high-priced colleges or of leaving their home state to enroll. State and institutional student aid resources are, however, very unevenly distributed.

Further analysis is needed:

-to determine the sources and adequacy of financial support available to students who receive only a BEOG;

-to explore the pressures on these students which inequitably limit their selection of institutions; and

-to investigate the pressures on institutions to generate sizeable amounts of student assistance from their own revenues, including the tuition revenues from other students.

Table 1

HIGHLIGHTS FROM PAS/ACE STUDY OF FEDERAL STUDENT AID PACKAGES

Distribution of Awards Received by First-time Full-time Students

1976-77

Student Aid Package	Total	Public	Private
BEOG only	44%	52%	31%
SEOG only	2	2	2
CWS only	10	7	14
NDSL only	8	7	8
Subtotal	64%	68%	55%
BEOG plus SEOG	6	6	5
BEOG plus CWS/NDSL	20	18	24
SEOG plus CWS/NDSL	3	2	5
CWS plus NDSL	3	2	6
BEOG plus SEOG plus CWS	4	4	5
Subtotal	36%	32%	45%
Total	100%	100%	100%

Source: Policy Analysis Service, American Council on Education, 1977.

Table 2

HIGHLIGHTS FROM PAS/ACE STUDY OF FEDERAL STUDENT AID PACKAGES

Median Family Incomes of First-time Full-time Students

Receiving Federal Student Aid

1976-77

Student Aid Package	Total	Public	Private
A. BEOG-based awards[a]	$ 9,656	$ 9,049	$10,892
B. Campus awards	15,658	14,708	16,605
SEOG-based awards[b]	13,258	12,605	14,011
CWS/NDSL awards[c]	16,252	15,197	17,245
C. Unduplicated count[d]	11,156	10,290	12,550

Note: Calculations are based on gross family incomes.

[a]Includes students receiving only a BEOG award, BEOG plus SEOG, BEOG plus CWS/NDSL, or BEOG plus SEOG plus CWS awards.

[b]Includes students who received only a SEOG or a SEOG plus CWS/NDSL awards.

[c]Includes students receiving only CWS, only NDSL, or only CWS plus NDSL awards.

[d]Students receiving some form of federal student aid: BEOG or SEOG or CWS or NDSL.

Source: Policy Analysis Service, American Council on Education, 1977.